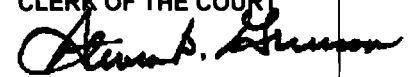
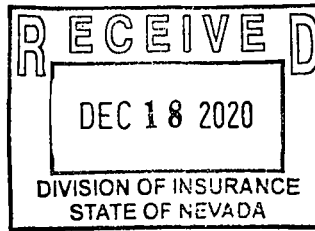


EXHIBIT 1

EXHIBIT 1

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Steven D. Grierson  
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CASE NO: A-20-826379-C  
Department 28

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*Attorneys for Plaintiff Mint Locker, LLC*

**EIGHTH JUDICIAL DISTRICT COURT**

**CLARK COUNTY, NEVADA**

MINT LOCKER, LLC, a Nevada Limited Liability Company,

Plaintiffs,

v.

SENTINEL INSURANCE COMPANY, LTD, a Connecticut business entity; DOES 1-10, business entities, forms unknown; DOES 11-20, individuals; and DOES 21-30, inclusive,

Defendants.

Case No.

Dept. No.

**Plaintiff's Complaint for:**

1. **Breach of Contract;**
2. **Contractual Breach of the Implied Covenant of Good Faith and Fair Dealing;**
3. **Tortious Breach of the Implied Covenant of Good Faith and Fair Dealing; and**
4. **Unfair Claims Handling (NRS 686A and NAC 686A)**

Plaintiff MINT LOCKER, LLC ("Plaintiff") files the following Complaint against SENTINEL INSURANCE COMPANY, LTD. Plaintiff is informed, believes, and alleges, as follows:

**I. INTRODUCTION**

1. Plaintiff files this action to recover damages and remedies afforded by law pursuant to the common law of the State of Nevada, NRS 686A, and NAC 686A as a result of Defendant's unlawful, tortious, bad faith conduct toward Plaintiff.

2. Plaintiff brings this action against Defendant for common law and statutory damages, punitive damages, interest, attorneys' fees and costs, and other appropriate relief for Defendant's unlawful conduct.

**II. PARTIES, JURISDICTION, AND VENUE**

3. At all times relevant hereto, Plaintiff Mint Locker, LLC was and is a limited liability corporation headquartered in Las Vegas, Nevada, licensed to do business in the State of Nevada, and doing business within the County of Clark, State of Nevada.

4. At all times relevant hereto, Defendant, Sentinel Insurance Company, Ltd. was a property and casualty insurer, domiciled at One Hartford Plaza, Hartford, Ct. 6155, organized under the laws of the State of Connecticut, licensed to do business in the State of Nevada, NAIC ID 11000, and was and is doing business in the State of Nevada, including in the County of Clark. Defendant Sentinel Insurance Company, Ltd. is under the common control or is otherwise owned by The Hartford Financial Services Group, Inc., and was doing business under that tradename at all relevant times as set forth in this Complaint. Sentinel Insurance Company, Ltd. shall therefore hereinafter be referred to as "The Hartford."

5. At all times herein mentioned, DOES 1 through 30 were headquartered or residing in the State of Nevada and licensed to do business or actually doing business therein, including the County of Clark.

6. The true names and/or capacities, whether individual, corporate, associate, or otherwise, of defendants named herein as DOES 1 through 30, inclusive, are unknown to Plaintiff at this time, who therefore sues said defendants by such fictitious names. Each of the defendants designated herein by fictitious name is in some manner responsible for the events and happenings herein referred to, and caused damages proximately and foreseeably to plaintiff as hereinafter alleged. Plaintiff asks leave of the Court to amend this Complaint when the true names and capacities of said defendants have been ascertained.

7. Whenever it is alleged in this Complaint that a party did any act or thing, it is meant that such party's officers, agents, employees, or representatives did such act or thing and at the time such act or thing was done, it was done with full authorization or ratification of such party or was done in the normal and routine course and scope of business, or with the actual, apparent and/or implied authority of such party's officers, agents, servants, employees, or representatives. Specifically, parties are liable for the actions of their officers, agents, servants, employees, and representatives.

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8. Each Defendant acted in all respects pertinent to this action as the agent of the other Defendants, carried out a joint scheme, business plan or policy in all respects pertinent hereto, and the acts of each Defendant are legally attributable to the other Defendants as each Defendant has ratified, approved, and authorized the acts of each of the remaining Defendants with full knowledge of said acts, making each of the Defendants an agent of the other and making each of the Defendants jointly responsible and liable for the acts and omissions of each other as alleged herein.

9. Venue is proper in the Eighth Judicial District Court of Clark County, Nevada, Regional Justice Center, as this Court has personal jurisdiction over Defendants pursuant to NRS 14.065 and Article 6, Section 6 of the Nevada Constitution; and Plaintiff is therefore entitled to designate the place of trial.

### **III. FACTUAL ALLEGATIONS**

#### **A. Background**

10. Plaintiff is a dry-cleaning business, with a location at 5661 W. Sahara Ave, Las Vegas, NV 89147. The west Sahara location is the primary production facility for Mint Locker.

11. Plaintiff purchased Business Insurance Coverage through The Hartford, policy number 53 SBA RB6972, effective from January 9, 2019 through January 9, 2020 for coverage of the west Sahara location.

12. Plaintiff's business insurance policy on the 5661 W. Sahara location provided, in event of loss, for \$261,300 in Business Personal Property Replacement Cost, 12 Months Actual Loss Sustained for Business Income and Extra Expense Coverage, and 30 Consecutive Days of Extended Business Income.

13. Section (A)(5)(o)(3) of the Special Property Coverage Form attached to the policy states that Mint Locker was covered for "loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or physical damage." And, under the Spectrum Policy Declarations attachment to the policy, the Business Income and Extra Expense Coverage is for 12 months actual loss sustained, with extended business income coverage of an additional 30 consecutive days.

14. Section 5(p)(1) of the Special Property Coverage Form attached to the policy provided Extra Expense coverage during the period of restoration that would not have been incurred had the Incident not occurred. Section 5(p)(3) of the Special Property Coverage Form defined "Extra Expense" as

1 “expense incurred [to] avoid or minimize the suspension of business and to continue ‘operations’ . . .  
2 [.].” Section 5p specifically included, and did not exclude, additional labor expenses incurred as a result  
3 of the Incident.

4 15. Plaintiff’s policy provided a ‘Limit of Insurance’ of \$2,000,000 for Business Liability and  
5 Medical Expenses, with a retroactive date of January 9, 2015; and contained a single event limit in case  
6 of destruction of property by fire in the amount of \$1,000,000.

7 16. On March 13, 2019, the west Sahara location sustained fire damage and related water damage  
8 (the “Incident”). Most of Plaintiff’s production and electronic equipment was destroyed, as well as  
9 much of its inventory, for which it was required to compensate its customers.

10 17. Plaintiff’s ability to produce its product was almost completely disabled as a result of the fire.

11 18. The Plaintiff’s average total monthly expense to run its operation at the time of the fire ranged  
12 between approximately \$70,000 and \$80,000 per month.

13 19. Between March 13, 2019, and July 1, 2019, monthly operating expenses rose on average  
14 between 39% and 81% per month to compensate for one-time expenses, additional labor, loan interest,  
15 payments to third-parties to process orders, and other costs.

16 20. Between March 13, 2019, and July 1, 2019, Mint Locker’s monthly revenues significantly  
17 dropped as compared with historical averages, by 21% in March, by 13% in April, by 33% in May, and  
18 by 41% in June.

19 21. At the time of the Incident, Plaintiff’s policy through The Hartford was current.

20 22. The Policy was paid in full and in effect at the time of the Incident.

21 23. Plaintiff timely reported the Incident to Defendant and was issued a claim number of  
22 CP0018251235.

23 24. On or around April 10, 2019, Plaintiff submitted a Partial Proof of Loss and Request for  
24 Payment to The Hartford, c/o Russell Fiori, requesting \$100,000 as partial payment for the losses under  
25 Plaintiff’s policy, and providing documentation for a portion of Plaintiff’s suffered losses. The  
26 documents provided included an inventory of the losses at the location; an electronics inventory; and  
27 invoices for plumbing and extra expenses the company had to pay to other cleaners to fill its Orders.  
28 The correspondence made it clear that the fire threatened to cause make Mint Locker unviable as an

1 ongoing business if Mint Locker did not receive at least a partial payment of funds due and owing  
2 under the claim.

3 25. Subsequently, Plaintiff received a check from The Hartford in the amount of \$32,025.48.

4 26. On or around April 17, 2019, Defendant The Hartford Large Loss Organization issued a check  
5 to Plaintiff in the amount of \$50,000, for Claim Number Y2HF 06894. The check states the nature of  
6 payment is "Coverage – Business Personal Property" and payment reason is "Damages (CL/FD)."

7 27. On April 26, 2019, the Hartford sent Plaintiff a letter stating that it could not accept proof of  
8 loss because there were items it was in the process of addressing with Nationwide, despite the fact that  
9 were a number of items clearly covered by the policy and not subject to dispute with Nationwide.

10 28. On May 1, 2019, The Hartford sent Mint Locker a letter stating that as of that date, The Hartford  
11 had paid Mint Locker payments that totaled \$82,025.48.

12 29. On or around May 9, 2019, Defendant The Hartford Large Loss Organization issued two claim  
13 payments in the form of a check to Plaintiff in the amount of \$60,000, and a check to Plaintiff in the  
14 amount of \$30,000, for Claim Number Y2HF 06894. These checks state the nature of payment is  
15 "Coverage – Business Personal Property" and payment reason is "Damages (CL/FD)."

16 30. In June of 2019, the Hartford delivered Plaintiff a check for Business Personal Property  
17 Replacement Cost.

18 31. During this time period, Mint Locker incurred significant extra expenses, primarily in paying  
19 third-party cleaners to clean its client's clothing. From March through July of 2019, Mint Locker, from  
20 one third-party dry cleaner alone, incurred additional expenses in the amount of \$102,065.14. There  
21 were at least two other cleaners Mint Locker had to rely on during this time period to fill its orders.

22 32. During this time period Mint Locker incurred significant extra expenses for payroll because of  
23 the added challenge of filling client orders without a production facility. Average weekly payroll costs  
24 between the date of the incident and the end of July, 2019 increased between 41% and 105%, depending  
25 on the volume of the cleaning that needed to be processed. The total amount of additional payroll  
26 incurred by Mint Locker between the date of the incident and August 28, 2019 was \$134,197.75.

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33. Mint Locker was forced to take a number of high-interest hard money loans to stay open after the incident due to the increased pressure caused by The Hartford's failure to timely pay the extra expenses and the business interruption loss once those losses became reasonably clear.

34. The loss in revenues, the contraction of the business operations, the loss of clients, the extra expenses, the threat of shut-down, the need to take high-interest hard-money loans, all of this was exacerbated and made worse by The Hartford's refusal to tender sufficient funds to keep Mint Locker Operational, by The Hartford's delay in processing the claim, by The Hartford's delay in getting repairs done at the west Sahara facility, and by The Hartford's ultimate refusal to pay the total sum due and owing under the claim.

35. On or around August 28, 2019, Defendant The Hartford submitted correspondence to Plaintiff's counsel stating that payment on the file had been considered in the following amounts: \$261,300.00 for Business Personal Property; \$60,748.33 in Business Income w/ Stretch; and \$167,025.48 in Extra Expense, for a total of \$489,073.81.

36. Near the end of September or the beginning of October of 2019, Mint Locker was able to get replacement equipment and move back into its primary production facility on west Sahara to begin processing orders once again.

37. On November 6, 2019, Plaintiff sent correspondence to Defendants requesting additional payment in the amount of \$204,113.61. The request was based on Plaintiff's documented unpaid extra expenses that totaled \$23,002.98, and extra payroll incurred in an amount that totaled \$134,197.28, and additional business interruption loss in the amount of \$46,913.35.

38. On November 12, 2019, The Hartford sent Plaintiff correspondence that rejected the request for payment and sought additional documents to confirm proof of payment to Mint Locker employees for payroll.

39. On November 19, 2019, Plaintiff sent The Hartford copies of all bank and payroll records showing payment of payroll expenses for which Mint Locker was requesting reimbursement.

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40. On December 4, 2019, The Hartford sent Plaintiff a letter that stated payment on the file had been considered in the following amounts: \$261,300.00 for Business Personal Property; \$60,748.33 in Business Income w/ Stretch; and \$167,025.48 in Extra Expense, for a total of \$489,073.81, and that the information submitted on November 19, 2019 was being considered.

41. On January 6, 2020, The Hartford sent Mint Locker correspondence stating that no further funds were due and owing to Mint Locker under the policy.

42. On January 30, 2020, Plaintiff sent a letter to the Hartford again requesting payment of \$204,113.61 and notifying The Hartford that as of early November, 2019, it was reasonably clear these were sums that were due and owing, that The Hartford was in breach of contract, that The Hartford was in violation of the provisions set forth within NRS 686A.310, that The Hartford was engaged in a breach of the duty of good faith and fair dealing.

43. On February 3, 2020, The Hartford sent Mint Locker a letter stating that Mint Locker's claim for additional payment was not supported, but that it agreed to make additional payment of the business income loss in the amount of \$70,733.52. Plaintiff, under financial duress, had to submit a notarized proof of loss form to receive that money.

44. Mint Locker incurred extra expense, and business interruption loss because of the fire that extended through March 13, 2020. Its business was devastated by the fire and had not fully recovered as of that date.

45. To date, unpaid extra expenses that totaled \$23,002.98, and extra payroll incurred in an amount that totaled \$134,197.28, have not been paid to Plaintiff, nor has the significantly diminished value of the business been compensated for, which occurred as the result of The Hartford's putting its interests before the interests of its insured when handling the claim.

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1 **IV. CAUSES OF ACTION**

2 **FIRST CAUSE OF ACTION**

3 **BREACH OF CONTRACT**

4 46. Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1  
5 through 45 above as though fully set forth herein.

6 47. At the time of the Incident, Plaintiff and Defendant were parties to a valid and binding insurance  
7 contract, as set forth more fully above.

8 48. Plaintiff fully and faithfully performed its obligations under the terms of the insurance contract  
9 by paying all premiums, timely reporting the loss described herein, and fully cooperating in the claims  
10 process, among other things.

11 49. Defendant breached the terms of the insurance contract, or otherwise performed unfaithfully  
12 under the terms of the contract when, *inter alia*, Defendant failed to perform according to the terms of  
13 the contract, and failed to provide coverage and/or tender payment for the reported loss, as set forth  
14 more fully above.

15 50. As a direct and proximate result of Defendants' breach of contract, Plaintiff is entitled to  
16 contract damages in an amount to be established according to proof at trial.

17 **SECOND CAUSE OF ACTION**

18 **CONTRACTUAL BREACH OF THE IMPLIED COVENANT OF**

19 **GOOD FAITH AND FAIR DEALING**

20 51. Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1  
21 through 50 above as though fully set forth herein.

22 52. At the time of the Incident, Plaintiff and Defendants were parties to a valid and binding  
23 insurance contract, as set forth more fully above.

24 53. Plaintiff fully and faithfully performed its obligations under the terms of the insurance contract  
25 by paying all premiums, timely reporting the loss described herein, and fully cooperating in the claims  
26 process, among other things.

27 54. There was, implied in this business insurance contract, a duty of good faith and fair dealing that  
28 Defendant owed to Plaintiff. This included a duty to address Plaintiff's claim relating to the Incident

1 with reasonable and customary promptness, to make clear what losses were covered, to tender payment  
 2 for all covered losses within a reasonable and customary time-period, and to make a good faith effort  
 3 to comply with the other terms of the insurance contract and its intended purpose.

4 55. To the extent that Defendant performed under the insurance contract, Defendant breached its  
 5 duty of good faith and fair dealing, as set forth more fully above, by so performing in a manner that  
 6 was unfaithful thereto.

7 56. Plaintiff's justified expectations under the insurance contract were denied when Defendant  
 8 engaged in the course of conduct more fully described elsewhere herein.

9 57. As a direct and proximate result of Defendant's breach of the duty of good faith and fair dealing,  
 10 Plaintiff is entitled to damages in an amount to be established according to proof at trial.

### 11 THIRD CAUSE OF ACTION

#### 12 **TORTIOUS BREACH OF THE IMPLIED COVENANT OF** 13 **GOOD FAITH AND FAIR DEALING**

14 58. Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1  
 15 through 57 above as though fully set forth herein.

16 59. At the time of the Incident, Plaintiff and Defendant were parties to a valid and binding insurance  
 17 contract, as set forth more fully above.

18 60. There was a special element of reliance or fiduciary duty that existed between Plaintiff and  
 19 Defendant, given the nature of the insurance contract and the insurer/insured relationship, where  
 20 Defendant was in a superior or entrusted position.

21 61. Plaintiff fully and faithfully performed its obligations under the terms of the insurance contract  
 22 by paying all premiums, timely reporting the loss described herein, and fully cooperating in the claims  
 23 process, among other things.

24 62. There was, implied in this insurance contract, a duty of good faith and fair dealing that  
 25 Defendant owed to Plaintiff. This included a duty to address Plaintiff's claim relating to the Incident  
 26 with reasonable and customary promptness, to make clear what losses were covered, to tender payment  
 27 for covered losses within a reasonable and customary period, and to make a good faith effort to comply  
 28 with the other terms of the insurance contract and its intended purpose.

63. Plaintiff's justified expectations under the insurance contract were denied when Defendant engaged in the course of conduct more fully described elsewhere herein.

64. As a direct and proximate result of Defendant's tortious breach of the duty of good faith and fair dealing, Plaintiff is entitled to damages in an amount to be established according to proof at trial.

65. The conduct of Defendant described herein, including Defendant's tortious breach of the duty of good faith and fair dealing, was intentional, malicious, wanton, and oppressive, with a conscious disregard for Plaintiff's rights and with the intent to vex, injure, punish, and annoy Plaintiff so as to cause the injuries complained of herein. Such conduct amounts to oppression, fraud, or malice, as described in NRS 42.005(1). Plaintiff is therefore entitled to an award of punitive or exemplary damages in an amount sufficient to punish and make an example of Defendants, and each of them.

#### **FOURTH CAUSE OF ACTION**

#### **UNFAIR CLAIMS HANDLING**

#### **NRS 686A; NAC 686A**

66. Plaintiff re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 65 above as though fully set forth herein.

67. Defendant has engaged in unfair claims handling in relation to Plaintiff, including by:

- a. Misrepresenting to Plaintiff pertinent facts or insurance policy provisions relating to any coverage at issue;
- b. Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;
- c. Failing to effectual; prompt, fair and equitable settlements of claims in which liability of the insurer has become reasonable clear;
- d. Compelling Plaintiff to institute litigation to recover amounts due under the insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds, when the insureds have made claims for amounts reasonably similar to the amounts ultimately recovered;
- e. Delaying the investigation or payment of claims by requiring Plaintiff to submit a preliminary claim report, and then requiring the subsequent submission of formal proof

- 1 of loss forms, both of which submissions contain substantially the same information;
- 2 f. Failing to settle claims promptly, where liability has become reasonably clear, under
- 3 one portion of the insurance policy coverage in order to influence settlement under other
- 4 portions of the insurance policy coverage;
- 5 g. Failing to promptly, fairly, and equitably settle a claim in which Defendants' liability
- 6 has become reasonably clear; and
- 7 h. Failing to make payment for the portion or portions of a claim not in dispute where such
- 8 payment can be made without prejudice to any interested party.

9 68. The Factual Allegations section of this Complaint gives a basis for Plaintiff's claim that

10 Defendant violated these statutory requirements.

11 69. Defendant had an actual or implied awareness of the absence of a reasonable basis for denying

12 or failing to remit payment for benefits to Plaintiff that were due under the Policy. This is reflected in

13 the communications between the parties, and Plaintiff anticipates that discovery will reveal further

14 evidence of either actual or implied awareness of a violation.

15 70. Plaintiff suffered damage in excess of \$15,000 as a result of Defendant's conduct.

16 71. The conduct of Defendant described herein, including Defendant's unfair claims handling in

17 violation of NRS 686A, was intentional, malicious, wanton, and oppressive, with a conscious disregard

18 for Plaintiff's rights and with the intent to vex, injure, punish, and annoy Plaintiff so as to cause the

19 injuries complained of herein. Such conduct amounts to oppression, fraud, or malice, as described in

20 NRS 42.005(1). Plaintiff is therefore entitled to an award of punitive or exemplary damages in an

21 amount sufficient to punish and make an example of Defendant, and each of them.

22 72. As a direct and proximate result of Defendant's unfair claims handling, Plaintiff has incurred

23 attorneys' fees and costs which it is entitled to recover.

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**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff prays as follows:

1. For an award of all actual, consequential, and incidental damages suffered by Plaintiff as a result of Defendant's conduct complained of herein, in excess of \$15,000, in an amount to be established according to proof at trial;
2. For an award of punitive damages against Defendant pursuant to NRS 42.005, or otherwise;
3. For an award of Plaintiff's attorneys' fees and costs pursuant to any applicable statutory or contractual basis;
4. For an award of pre and post-judgment interest pursuant to NRS 17.130(2), NAC 686A.675(1), and any other applicable statutory or contractual basis; and
5. For such other and further relief as the Court deems just and proper.

Respectfully submitted,

Dated: December 14, 2020

HUTCHINGS LAW GROUP, LLC

*/s/ Mark H. Hutchings*

By: \_\_\_\_\_

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